

**COMMITTEE ON GOVERNMENT REFORM**  
**TOM DAVIS, CHAIRMAN**



**NEWS RELEASE**

**For Immediate Release**  
**June 30, 2005**

**Contact: Robert White/Drew Crockett**  
**(202) 225-5074**

**Davis Statement on GAO Report Critical of Defense**  
**Department Oversight of Supplemental Life Insurance Policies**

WASHINGTON, D.C. – Government Reform Committee Chairman Tom Davis (R-VA) issued the following statement upon today’s release of the Government Accountability Office report, “Military Personnel: DOD Needs Better Controls over Supplemental Life Insurance Solicitation Policies Involving Servicemembers” (GAO-05-693):

**“Our military personnel make sacrifices for our safety and our freedom everyday. Many invest in government life insurance policies to help provide support for loved ones should they fall in the line of duty. Some also invest in private, supplemental life insurance policies. During the Government Reform’s inquiry into errors in military pay, the Committee learned of instances of uniformed men and women purchasing insurance coverage they did not need or spending more money than was necessary due to unscrupulous insurance agents.**

**“Unfortunately, this kind of practice could have been avoided. According to the GAO, the Department of Defense has not done nearly enough in the past to discourage these practices, and the Department’s new regulations do not go far enough, either. GAO reports that DOD does not keep track of how often agents are violating DOD regulations governing the solicitation of supplemental life insurance on its installations, and the Department does not actively disseminate information to state insurance regulators, who have the statutory responsibility for enforcing insurance regulations within their state’s borders.**

**“I find it unfathomable that the Defense Department would choose not to work with state regulators to crack down on those who may be trying to defraud our men and women in uniform. Until the DOD takes this issue seriously, it will continue to be open season for these financial predators.**

**“I asked for this GAO report because we have a responsibility to our military personnel. That’s why I supported H.R. 458, which is aimed at preventing the sale of abusive insurance and investment products to military personnel, and which overwhelmingly passed the House the week. And it’s why my Committee will continue to look into these issues.”**

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